

Applicant : Mark S. Corona et al.  
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Attorney's Docket No.: 11416-723001

### REMARKS

This Amendment is in response to the Office Action mailed September 21, 2004. Claims 1-58 are pending. Claims 1-58 have been rejected in the Office Action. The applicants thank the Examiner for the careful attention to this matter.

Claims 1, 16-17, 24, 30, 33, and 40 are amended in this response.

Claims 1, 24, and 40 were amended to more clearly set forth inventions to address concerns raised in the Office Action

Claims 16 and 30 were amended to correct minor errors in dependency.

Claims 17 and 33 have been amended to clarify that a "triggering event" is an automatic rather than manual occurrence.

### Rejections under 35 U.S.C. § 101

Claims 1-50 stand rejected under 35 U.S.C. § 101. The applicants have amended each of the independent claims in this group to more clearly connect the claims to computers and technology. Applicants believe these amendments address the concerns stated in the Office Action.

### Rejections under 35 U.S.C. § 103 over Remington in View of Kolling

Claims 1-58 stand rejected under 35 U.S.C. § 103 over U.S. Patent 6,070,150 to Remington in view of U.S. Patent 5,920,847 to Kolling. Various portions of each reference are combined in various combinations for each of the claims.

Each of these claims recites, in general, methods or systems that select a payment method for a payor from a set of payment methods available in a payment system using a payment rule. The systems or methods can, in some embodiments, make a similar selection for a payee. The selection of each payment method is independent of the selection of the other. As explained in the application at pages 12-16 and in Figure 2, for example, various payment methods like credit card, ACH, and others can be made available to a party. As a result, the systems and method provide parties great flexibility because they are not limited to a single payment method, but

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instead, a method is selected from a set of methods. Thus, for example, a party could establish a payment rule by which lower-priced transactions are paid using a credit card, but transactions above a set dollar value are paid by wire. As another example, a party could pay by one method for government payees but by another method for private sector payees. Also, the selected payment method may be independent of the method selected for the payee, if need be.

Neither the Remington nor the Kolling reference disclose any methods or systems that permit such flexibility and power. Rather, both references simply disclose automated bill paying systems. These appear to be first generation systems whose main goal is to replace paper check bill paying or bill paying through service bureaus that cut their own paper checks with a fully electronic system. Both systems, however, simply make payments out of a bank account the user has identified. For example, the Kolling patent notes: "For settlement, the consumer's bank *debits the consumer's account* ..." [Abstract.] Although the user can change bank accounts if necessary, there is still only one bank account and definitely only one payment method (even if there somehow were more than one account) in all situations, so that there can be no selection of a payment method. For its part, the Remington patent also merely debits bank accounts for a payor—a single payment method so that again, no selection is made. Because neither reference discloses or even fairly suggests the selection of a payment method from among a set of methods, and thus cannot provide the power and flexibility of the claimed inventions, the Applicants suggest that the pending claims are each in condition for allowance.

Two other points bear mentioning because each of the rejections involves combinations of the Remington and Kolling references. First, although motivation to combine need not be explicit in a reference, the Office bears the burden of establishing motivation to combine *prima facie*, and cannot simply rely on conclusions without evidence. *See In re Lee*, 277 F.3d 1338 (Fed. Cir. 2002) (reversing rejection where Board referred to "common knowledge and common sense of a person of ordinary skill" but provided no supporting evidence). Second, many of the rejections cite various passages scattered across the Remington and Kolling references, including discussions of the prior art that both reference are distinguishing from their inventions. However, elements may not be assembled by picking and choosing across the breadth of a

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reference, any more than elements may not be assembled across references, as the prior art must disclose the claimed elements *in the manner they are claimed by the applicants*.

The dependent claims are patentable for additional reasons. For example, claims 2-4 and 25-27 refer to the use of predetermined business rules of particular types for selecting a payment method. Not only do Remington and Koller fail to disclose the selection of a payment method, as indicated above, but they also disclose nothing about rules for use in the selection of payment methods. Claims 5-6, and 28 recite selection of a payment method as a function of historical payment information. Applicants have carefully reviewed the passages in Remington cited by the Office, but can find no such disclosure, nor is such disclosure elsewhere in either Remington or Koller.

Claims 16 and 32 refer to the aggregation of payments across a plurality of different marketplaces. Such an approach can lower transaction costs by first aggregating transactions into one higher value transaction for which a single fee may be due. Neither Remington nor Kolling aggregates transactions; instead, they each simply debit the payor's bank account.

Claim 14 refers to verification by a credit rating service. The Office admits that neither Remington nor Kolling discloses this limitation, but suggests conclusorily that it would have been obvious because credit checks are well known. However, in the Remington and Kolling systems, there would be no motivation to check credit worthiness because the payment systems in those references are not taking any risk with respect to the payor. Rather, they are simply causing a debit of a bank account. If there is no money, the payment will not be made, but that is not the payment system's concern.

Claims 17-22 and 33-38 recite that the payment is made in response to an automatic triggering event. These claims have been clarified, but not narrowed, to make more clear that a triggering event is not a manual activation by a user, but is instead an automatic happening. Thus, for example, the system may be configured so that the payor and the payee pay, and get paid, at different times, or at a particular predefined time (e.g., after a purchased item would normally arrive by shipment). Nothing in Remington or Kolling shows such a triggering event. Rather, both simply appear to pay a bill when a user clicks to pay. Claims 23 and 39 recite

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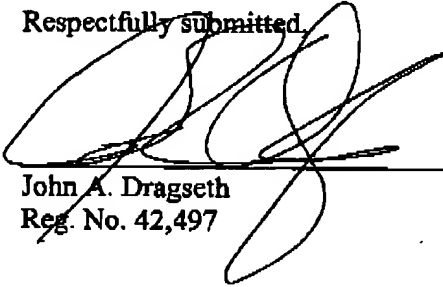
debiting a payor account for a transaction fee. In Kolling, on which the Office relies, however, any payment is simply applied to the overhead for the parties' banks for their use of a payment network; nothing indicates that the parties' accounts should be debited for the transaction fee.

The same comments apply to the other claims in the same manner in which the Office correlated its rejections for claims 40-58.

For at least these reasons, the Applicants respectfully suggest that claims 1-58 are in condition for immediate allowance, and request the same.

Please apply any other charges or credits to deposit account 06-1050.

Respectfully submitted,

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